STATE OF WASHINGTON DEPARTMENT OF FINANCIAL INSTITUTIONS SECURITIES DIVISION

IN THE MATTER OF DETERMINING whether there has been a violation of the Securities Act of Washington by:

BERKNELL FINANCIAL GROUP, LLC CRD 281662; LONBAYE YARNWAY, CRD 6344029 SEAN GEORGE, CRD 6335785

Respondents.

Order Number S-18-2432-18-CO01

CONSENT ORDER

THE STATE OF WASHINGTON TO:

BERKNELL FINANCIAL GROUP, LLC CRD 281662 LONBAYE YARNWAY, CRD 6344029 SEAN GEORGE, CRD 6335785

INTRODUCTION

Pursuant to the Securities Act of Washington, Chapter 21.20 RCW, the Securities Administrator of the Department of Financial Institutions Securities Division ("Securities Division") and the Respondents, Berknell Financial Group, LLC ("Berknell"), Lonbaye Yarnway, and Sean George, do hereby enter into this CONSENT ORDER in settlement of the matters alleged herein. The Securities Division believes that entry of an agreed Consent Order is in the public interest and is appropriate for the protection of investors. The Securities Division and Respondents jointly set forth the following Findings of Fact and Conclusions of Law.

FINDINGS OF FACT

Respondents

1. Berknell has been registered as an investment adviser in Maryland since January 2016. It has never been licensed to conduct business as an investment adviser in Washington state; however, it filed a pending licensing application on February 1, 2018. Its investment adviser's Central Registration Depository ("CRD") number is 281662. The Securities Division file number is 30003879.

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CONSENT ORDER

DEPARTMENT OF FINANCIAL INSTITUTIONS Securities Division PO Box 9033 Olympia, WA 98507-9033 360-902-8760

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- 2. Longbaye Yarnway is the managing member and chief compliance officer of Berknell. Yarnway has been licensed as a Maryland investment adviser representative since October 2015 to the present; however he has never been licensed to conduct business as an investment adviser or investment adviser representative in Washington State. He filed a pending licensing application on April 4, 2018. His CRD number is 6344029.
- 3. Sean George has been licensed in Maryland as an investment adviser representative of Berknell since May 2017. He is not currently licensed to conduct business as an investment adviser or investment adviser representative in Washington State; he filed a pending licensing application on January 31, 2018. His CRD number is 6335785.

Nature of the Conduct

- 4. Berknell has been licensed as a Maryland investment adviser since July 2015. In May 2017, Berknell opened a place of business in Washington. The Securities Division discovered Berknell had a place of business in Washington when it applied for licensing.
- 5. Berknell and George provided investment advice for compensation to five Washington clients from an office in Washington without being licensed in Washington and without qualifying for an exemption from licensing. Berknell and George collected approximately \$380 in advisory fees from its Washington clients.

Based upon the above Findings of Fact, the following Conclusions of Law are made:

CONCLUSIONS OF LAW

- 1. Berknell acted as an investment adviser by providing investment advice for compensation.
- 2. Berknell violated RCW 21.20.040(3) by transacting business in Washington State as an investment adviser while not being registered as an investment adviser in Washington State.

CONSENT ORDER

IT IS AGREED and ORDERED that Respondent Berknell shall cease and desist from acting as an unregistered investment adviser in violation of RCW 21.20.040(3).

IT IS FURTHER AGREED that Respondent Berknell shall pay a fine of \$1,000 prior to the entry of this consent order. The Securities Division considers as mitigating factors in determining the fine amount that Berknell applied for licensure prior to discovery of its unlicensed activity and the amount of the investment advisory business conducted in Washington.

IT IS FURTHER AGREED this Consent Order alone will not constitute a bar to the approval of Berknell's application to be licensed as an investment adviser in the state of Washington.

IT IS FURTHER AGREED this Consent Order alone will not constitute a bar to the approval of the investment adviser representative applications of Respondents, Longbaye Yarnway and Sean George.

IT IS FURTHER AGREED that the Securities Division has jurisdiction to enter this Consent Order.

IT IS FURTHER AGREED that Respondents enter into this Consent Order freely and voluntarily and with full understanding of its terms and significance.

IT IS FURTHER AGREED that in consideration of the foregoing, Respondents waive the right to a hearing and judicial review of this matter pursuant to RCW 21.20.440 and Chapter 34.05 RCW.

AUTHORITY AND PROCEDURE

This Order is entered pursuant to the provisions of chapter 21.20 RCW and is subject to the provisions of RCW 21.20.120 and Chapter 34.05 RCW. Respondents were notified of the right to an administrative hearing and waived it.

SIGNED this 26th day of May, 2018.

Bv:

Berknell Financial Group, LLC

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Longbaye Yarnway, Managing Member

CONSENT ORDER

DEPARTMENT OF FINANCIAL INSTITUTIONS Securities Division PO Box 9033 Olympia, WA 98507-9033 360-902-8760

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5	William M. Beatty
6	Securities Administrator
7	Approved by:
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10	Suzanne E. Sarason Chief of Enforcement
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Presented by:

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Kristen Standifer
Compliance Legal Examiner

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